

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Gardner Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 29, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

In the past few years, the City has made its appropriation in late July or mid-August. We recommend when you complete the next actuarial valuation that the assumed payment date be adjusted to reflect the expected payment date going forward.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

Enc.



GARDNER CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAL	Net 3(8)(c) Payments	Schedule Contribution*
2016	456,946	36,122,345	2,833,817	144,988	3,435,751
2017	472,939	35,951,610	3,023,969	144,988	3,641,895
2018	489,492	35,561,853	3,171,301	144,988	3,805,781
2019	506,624	34,981,796	3,325,429	144,988	3,977,041
2020	524,356	34,188,876	3,486,664	144,988	4,156,008
2021	542,709	33,158,389	3,655,332	144,988	4,343,028
2022	561,703	31,863,302	3,831,773	144,988	4,538,464
2023	581,363	30,274,050	4,016,345	144,988	4,742,695
2024	601,711	28,358,322	4,209,418	144,988	4,956,117
2025	622,770	26,080,816	4,411,384	144,988	5,179,142
2026	644,567	23,402,987	4,622,648	144,988	5,412,203
2027	667,127	20,282,766	4,843,637	144,988	5,655,752
2028	690,477	16,674,259	5,074,797	144,988	5,910,261
2029	714,643	12,527,419	5,316,592	144,988	6,176,223
2030	739,656	7,787,693	5,569,509	144,988	6,454,153
2031	765,544	2,395,638	2,395,638	144,988	3,306,170
2032	792,338	-	-	144,988	937,326

Amortization of Unfunded Liability as of July 1, 2014

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2016	Fresh Start	N/A	N/A	16	N/A	16

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established.

Type is the reason for the creation of the base. Examples are Gain/(Loss) or Fresh Start.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

*Contribution is set to be the amount resulting from a 6% increase on last year's contribution in the first year, followed by another 6% increase, and 4.50% increases thereafter. The contribution in FY2031 decreases by 48.77%.